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Land Law Reform Association

A rural programme...by Francis Allston Channing

London

1904

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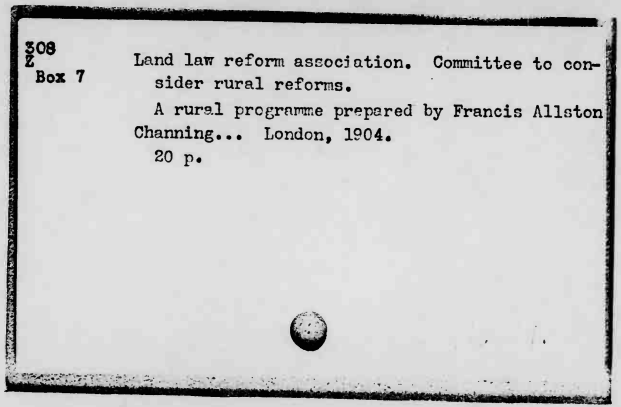
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LAND LAW REFORM ASSOCIATION.

COMMITTEE TO CONSIDER RURAL REFORMS.

A RURAL PROGRAMME.

PREPARED BY

FRANCIS ALLSTON CHANNING, M.P.,

CHAIRMAN OF THE COMMITTEE.

PUBLISHED BY

THE LAND LAW REFORM ASSOCIATION,

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1904.

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COMMITTEE APPOINTED BY THE LAND LAW REFORM ASSOCIATION TO CONSIDER RURAL REFORMS.

FRANCIS ALLSTON CHANNING, M.P., *Chairman.*

SIR WALTER FOSTER, M.P.	ROBERT J. PRICE, M.P.
HON. J. W. HARRIS.	JAMES TOMKINSON, M.P.
FRED HORNE.	SIR WILLIAM WEDDERBURN, BT.
D. BRYNMOR JONES, K.C., M.P.	H. W. WOLFF.

The object of this statement is to demonstrate how and why Protection will defeat, not promote, the highest interests of rural England, and to strike the note of a living, a continuously self-supporting, a steadily expanding future for agriculture. There is a supreme obligation laid upon Land Reformers not only to rescue the counties from the Protective policy they instinctively dread, but to face the rural problem in a broad and statesmanlike spirit. There should be a fearless determination to go to the root of rural discontent, and to turn the full force of enthusiasm, enlightened by definite ideals, and concentrated on workable methods, to the wholesome task of making the countryside strong, and prosperous and happy. What we have to do is to make rural life livable economically as well as socially and politically.

The essential and unsatisfied want which underlies all these rural questions is that a reasonable degree of real and increasing well-being of the staple industry of these districts should be made possible.

It is not attempted here to set out all the legislative and administrative measures which are, or will be, indispensable, but rather to insist on the vital points of the only policy which can and will succeed.

In the preparation of this statement help has been rendered by the Members of the Committee, and especially by Mr. H. W. Wolff, Mr. Harris, Mr. Horne, and Sir Walter Foster, who have made important contributions.

F. A. CHANNING.

A RURAL PROGRAMME.

I.—PROTECTION AND AGRICULTURE.

(A) The Tariff Reform League propose to put a duty of 2s. a quarter, or 8 per cent., on all corn (except maize), 5 per cent. on meat (except bacon), 5 per cent. on dairy produce, and an average 10 per cent. duty on all manufactured articles.

(B) These duties are meant, first, as a bounty to Colonial producers, to encourage them to flood the home market with their products, and, secondly, as a means of general retaliation against foreign tariffs.

What will be their effect on agriculture?

The probable rise in the price of wheat is insufficient to really alter the present conditions of arable farming, while the greater increase in price of cheap barleys and oats, which have helped farmers over many bad seasons, will destroy the margin of profit for stock and dairy farmers. The increased price of oats will specially hit breeders of shire and other cart horses and other pedigree stock, while the rise in linseed, cotton seed, etc., will enormously increase the cost of producing fat stock for market.

As a result, the British farmer will find it doubly hard to meet the already keen competition of the Colonial producer of meat, butter, etc. The Colonial will have a bounty of 1s. in the £, in addition to the advantages of low rents and practically no local taxation, and trifling railway rates and sea charges.

Again, putting the British farmer's gain all round at 5 per cent., which experts say cannot be fully obtained or kept up, he will have to pay at least 10 per cent. in enhanced prices of implements, tools, carts, fertilisers, repairs, clothing, everything he wants for his business or his family.

In any case the increase on his outgoings must be double of that on his intakings.

If retaliation on foreign manufactured articles which he has to buy is made a reality, he stands to pay many times what he receives.

Lastly, the strongest support to these proposals comes from landowners, who believe Protection means higher rents, and from Parliamentary candidates, who affirm that the prices of food will not be raised for the consumer.

(C) Even Protectionists say it won't do.

Mr. Martin, at the Farmers' Club, condemned "Retaliation" as "all for manufacturers and against farmers," and urged that Colonial Preference ignored the fact that it cost, in 1846, ten times as much to bring a quarter of wheat from America as now, while it costs the Norfolk or Lincoln grazier vastly more to-day to put beef or mutton on the London market than the similar cost to the Canadian or New Zealander.

And Mr. Sutton admitted the scheme could do no good, because Mr.

Chamberlain is working on the principle that "this is a manufacturing, and not an agricultural country," and because it is obvious that "the urban constituencies are opposed to the taxation of food."

(D) Some of the ablest witnesses before the Agriculture Commission condemned Protection as a remedy.

Mr. Turnbull: "A corn duty would depress the price of home cattle and stock. In the long run it would benefit neither owner nor tenant."

Mr. Gilbert Murray says: "Derbyshire farmers do not want Protection: it would be against their interests."

Mr. Turner, a large Lincolnshire landowner: "I would sooner have the cheap foreign barley for fattening stock."

Mr. James Stratton tells farmers to sell their hay and other crops and buy, for feeding, Russian barley at 84s. a ton.

A Lancashire farmer who has got on says: "I am a Free Trader. I say we all buy our feeding stuffs cheaper and we all live cheaper to-day because of Free Trade."

Professor James Long* says: "Farming is mixed. The corn farmer is usually a stock feeder, and the grass farmer uses quantities of corn and cake for milk or beef or mutton. More would go for duty than could be got in prices."

"The modern dairy farmer, who goes for milk, and buys cake and corn and rears young cattle, would, for a holding with (say) 100 head of cows and young stock, a score of pigs, and a few horses, have to pay in increased cost of cake, meal, corn, and wages about £163 10s., without any increase of rent or of cost of other articles he has to buy being taken into account. Against this he has not a penny of extra profit. This 'will-o'-the-wisp' would bring him to the verge of ruin."

Mr. Henry Chaplin, who in 1885 wanted a duty to keep wheat up to 40s., threw over Protection two years later, and took up Bimetallism.

Again, in the Bimetallist Report, signed by him with others, in 1897, he admitted that the inquiry into foreign countries under Protection showed that "in their case, at all events, Protection had not afforded them any security against severe agricultural depression."†

Mr. Chaplin is for the Tariff Reform plan now! What will he be a year hence?

Mr. Balfour, in arguing for the repeal of the 1s. corn duty last spring, said:—

"This is a tax on the raw material which farmers use in their industry." "The class who have most reason to complain of this tax in the whole of the United Kingdom are the farming class."

"The shilling duty meant a loss of £582,000."

Two shillings, therefore, would lose the farmer £1,164,000.

(E) Protection in the old times emptied more farmers' pockets than it filled.

Between 1775 and 1794, before the great war, wheat averaged 16s. 3d. The average between 1794 and 1814 was 85s. 4d. In the former

* "Agriculture and Protection."—*Manchester Guardian.*
† Agriculture Commission, Final Report.

periods rents were moderate and farmers throve. In the latter, Protection ran up rents and poor rates to double former figures, and farmers could not make ends meet.

For thirty years, from 1815, agriculture was borne down again and again by waves of ruinous depression. The corn duty, that was to keep up prices to at least 80s. a quarter, only meant that rents and outgoings more than swallowed up profits, tenants' capital was exhausted, whole generations of farmers driven into bankruptcy. A typical balance-sheet of an excellently-managed farm in 1820-22—976 acres of good land—showed for two years a total of rent £3,576, of net loss £1,995. The condition and fertility of the soil sank year by year. Stock of all kinds diminished. Impoverished farmers paid wages under the incessant stimulus of rick fires, the only weapon of starving labourers. Whole tracts of land were left uncultivated, rents were in arrear, landowners and home trades in rural districts involved in the general ruin.

Year in, year out, Committees and Commissions were inquiring into agricultural distress. The Committee that dealt with the great collapse of 1822 urged that the "only solid foundation of agricultural prosperity might be found in abstaining from interference, either by Protection or Prohibition, with the application of capital to the soil."

The sliding scale of corn duties turned farming into a mad speculation, while the sinking of capital in cropping of unsuitable land ruined the investor, and those with whom he competed.

Successive Committees showed that 1833 was even worse than 1822, and that 1836 outdid even 1833.

Rents, once forced up, were maintained shortsightedly, even when it was obvious that they were being paid out of capital, and by the inevitable "scourging" of the soil. A slight improvement about 1840 again drove up rents, with consequent wreckage of tenants.

On two of the best-managed estates in the Lothians, twelve tenants were found to have left through being totally ruined, only one with a solvent purse.

Calculations made in those times prove that the corn duties had invariably raised rents from 10 to 20 per cent. in excess of the rise effected in the price of corn.

Mr. J. C. Morton, the agricultural expert, made, fifty years ago, a close calculation, showing that, on a light land farm of 400 acres in Norfolk, the Protective duties of 1828 would have increased the price of corn by £226, and the cost of cultivation by £209, while if rents rose in the old proportion that modest profit of £17 would become a loss of £77. And if you estimated his loss on stock raising by being deprived of cheap imported corn and feeding stuffs, the loss would run to £277. Yes! and this calculation was based on a guaranteed wheat price of 80s. and no foreign competition of meat or butter!

How would the farmer fare with only two shillings a quarter on wheat and 5 per cent. on meat and butter to meet the impending and ever-increasing rush from the Colonies?

(F) How has Protection served agriculture in the Western States of America and in European countries?

In America, the thrifty, hard-working owner-occupier, with no rents, light taxes, lighter railway rates than ours, and labour-saving appliances, has had a desperate struggle to clear off mortgages even when tilling virgin soils. He has only survived the crushing incidence of McKinley Tariffs through the limitless demand for food of a continually-increasing town population, and the trifling ocean freights which gave him an outlet for surplus produce in England. If he had to face British rents, rates, railway charges, etc., every farmer in the West would have been ruined a dozen times over.

And be it remembered that in 1896, if Free Trade had not been saddled with the cry of "Free Silver," these Western farmers would have won a tremendous victory over McKinleyism, and swept away, in the interests of American agriculture, the hostile tariffs against British manufactured goods!

Denmark is a small Free Trade oasis in the desert of European Protection.

Sweden, Free Trade before, copied the German Protectionist system in 1888.

When corn prices began to fall before 1880, both countries took to stock and dairy farming under conditions not otherwise dissimilar.

In Sweden, after Protection, agricultural exports dwindled, and her agricultural imports now exceed her exports by 2½ millions sterling, and this excess includes bacon, eggs, etc., the production of which became unprofitable through enhanced price of feeding stuffs.

Denmark, by free importing of feeding stuffs, last year, to the amount of £3,800,000, has raised her agricultural exports from £5,784,000 in 1887, to somewhat under £20,000,000 in 1903. She exports now agricultural products alone to the amount of nearly £8, whereas the total exports of all articles of British produce from the United Kingdom in 1903 were to the amount of £6 17*s.* 4d. per head of the population.

Agriculture, under Free Trade, is enriching Denmark faster than any country in the world, while, under Protection, it is losing trade faster and faster for the Swedes.

In Germany the effect of Protection, adopted specially to benefit agriculture, has proved supremely disappointing. Agriculture has not advanced, but has been kept backward by the premium offered to the cultivation of corn, which has crowded out more remunerative crops. And, under such conditions, even the cultivation of wheat itself has deteriorated. As is testified by so competent a witness as Professor Conrad, himself a farmer and a moderate Protectionist, it is produced in inferior quality, poor in gluten, therefore insufficiently nourishing, and requiring an addition of foreign wheat for the use of millers, badly turned out for market, and it has receded even in yield. The acre does not yield what it should in the interest of the community and of the cultivator. Instead of steadying markets as

was predicted, Protection has accentuated crises. While encouraging emigration generally, it has done so more specifically from the districts of broad-acred, large properties devoted to wheat cultivation, which it has further depopulated, making labour scarce. In such districts, says Professor Oldenberg, population remains perpetually moving; it fails, adds Professor Max Weber, to take root in the soil, but "is shifted hither and thither like sand blown about by the wind." Agriculture and national welfare cannot advance under such circumstances. Live stock has decreased alarmingly in proportion to population, and is now estimated, in spite of importation, to leave Germany annually about 49,000 tons short of what is required, in respect of meat supply, for feeding the population. In former years Germany used to export beasts. Even horses are becoming scarce, as Remount Commissions complain, and have to be supplied from Free Trade Denmark. The conditions of labour and of small cultivators have not improved. The poorer rural classes feel the pinch of poverty more. On the other hand, the selling price of land and rents have been kept up much beyond their natural value. "Our agriculture," so writes Professor Conrad, "would be far better off if a duty had never been imposed upon corn."

As regards the incidence of taxation, the experience of Germany proves beyond doubt that it is the consumer who pays the duty. The Government admits this in the preamble to the last tariff measure. The price of bread has invariably risen concurrently with the price of corn, and to an intensified degree in industrial districts. And statistics compiled by the late President of the Royal Statistical Department of Saxony, Dr. Böhmert, clearly show that wages, and the prosperity of the working classes, made incomparably better progress under Free Trade than under Protection. Employers themselves, like Herr Frommel, have admitted that wages, though nominally higher, have not risen in the same proportion as the price of necessaries. Protection, so says Professor A. Wagner, himself a Protectionist, could raise workmen's wages only upon the Malthusian principle of thinning the ranks of labour by means of want and distress till the supply becomes unequal to the demand.

Russia has had in M. de Witte a Finance Minister to Mr. Chamberlain's taste. His policy of immensely increasing indirect taxation and protective duties has had full swing for ten years. He has raised the Imperial Revenue by over 60 per cent., has given Russia the Siberian Railway and a few hothouse industries at the cost of reducing the agricultural classes, four-fifths of the whole population, to nearly absolute ruin. Even the richest lands of Central Russia are yielding less than ever before; mortgages are crushing out noble and peasant alike; population has ceased to increase; taxes are in arrears; the home trade in the interior is paralysed; while many districts are on the verge of starvation. A revolutionary temper is spreading everywhere.

The local councils, or Zemstvos, representing the agricultural districts, have appealed to the Government to relieve them from protective duties, and to remove the crushing burden of indirect taxation. They

protest that just as these taxes have been raised, so has the peasant's position become more miserable, and that Protection denies them the cheap implements and materials for their industry, and alike lessens railway receipts and makes railway charges heavier.

Ten years of national extravagance and extreme Protection in Russia have turned the local spokesmen of the impoverished peasantry into eager Free Traders.

As to France, Sir Joseph Crowe reported to the Agricultural Commission (Appendix II.) that:

"Protection, moderate in its beginnings, has become aggravated with time, and constitutes a vast burden upon the State, with, as yet, little appreciable results. We have seen that agriculturists complain as loudly now as they did at the beginning of the crisis, and that values have not improved." The area under wheat is not diminished, "the fact being that French farmers sow wheat because they must grow something, and as yet they have not been able to find anything to replace it. Not only do they lose on wheat growing, but they lose heavily, and the advantage they have over the British farmers in the protective duty of 12s. 3d. per quarter is counterbalanced by the smaller return per acre."* M. Dulac† says the French farmer is tempted to grow wheat on very poor soil. He does not, and cannot cultivate so highly as the English farmer. The result is that, although the price of wheat is generally less in England than in France by about the amount of the duty, the produce in England is so much more in quantity that, while the wheat crop of one hectare in France is reckoned at a value of 270.87 francs, the wheat crop for the same area in England is worth 321.48. In the dairying districts of the North, the industry is highly organised, on lines similar to Denmark, and there is more prosperity, but there, as elsewhere in France, Protection is a dead weight on agriculture, and makes the life of the people a pinched and struggling existence.

(G) Protection for the British farmer is the most deadly of errors. He can never get it in any form which will give him a real and lasting profit "all round," because the towns are stronger than the country.

And if he could get it, he would be tightening round his own neck the noose of excessive rents, and of corresponding rates and outgoings.

For all branches of farming, which can really pay under modern conditions, so long as new countries continue to pour in floods of produce, the breeding and fattening of stock, the raising of cart and other horses, the whole area of milk and dairy products, of poultry and small farming, absolute Free Trade, securing as it does the maximum of cheapness in the raw materials of the industry, is indispensable.

(H) Further, the free supply, at lowest cost, of the raw materials of agriculture is not enough. The principle of Free Trade must be extended to the land itself.

We shall never see the highest standard of cultivation, the greatest

* Warpurton, Consular district of La Rochelle. 1895.
† "Agriculture et Libre Echange."—Paris, 1903.

return from the soil, the widest range of profitable employment upon the soil till there is the fullest freedom both for the acquisition and tenure, and in the useful working of the land, unrestricted by the dictation of the monopolist, unfettered by the trammels of feudal claims, or of landlord-made laws.

It is part of the economic and moral law of development, by which Free Trade has made agriculture the fountain of wealth to Denmark, that it has also multiplied the owners and occupiers of land fivefold.

II.—LAND TENURE AND TENANT RIGHT.

(A) The land monopoly lies at the root of the real mischiefs which have paralysed agriculture and aggravated the loss and suffering inseparable from great economic changes.

We cannot materially alter the present conditions of working the land on the old lines of cultivation, for the value of the produce of an acre is at most three-fourths of what it used to be, while the cost of production in thorough fertilising and labour, even allowing for increased use of machinery, is not less, but in many cases is shown by the Farm Accounts before the Commission to be more than before.

The moral is to keep the working partner going. The narrower the margin of gross profits over cost of production, the larger should be the share left with the tenant. Instead of this, the main part of the economic loss has been thrown on the working partner, and it is the sleeping partner, the landlord, who has been kept going by rents which transfer to him the possible profits of the tenant. The evidence of the Land and Agriculture Commissions, the Farm Accounts and Estate Accounts prove that the landlord's share, instead of being double the tenant's profit, as assumed in Income Tax assessments, has, in general, been from seven to even fifty times the share of gross profits left to the tenants.

Over-renting has been the chief cause of depression in bringing farmers to ruin, and in deteriorating the condition of the land. Rents have not been reduced soon enough, and the farmers who have done best by the land have been refused the reductions, while the bad farmer has been driven to retort by robbing the soil of its fertility. Competition being made the measure of rents, the improving farmer, afraid to face the loss of capital and goodwill by quitting, has been forced to let his landlord rent him on his improvements, and the greater his skill and enterprise, the more absolutely is he at the mercy of landlord and agent.

The Agricultural Holdings Acts, as they stand, wholly fail to give any security that an improving tenant shall continuously reap the benefits of his good treatment of the land, or that he shall retain the property right in his improvements the law professes to give him.

And, further, where farmers have done well, even in the bad times, it is not merely because they were men of energy and judgment, but

because they had a free hand, because they have had elbow room and elasticity to change to less unprofitable methods of working their farms, to build up a better paying stock, or to open up and organise new markets.

(B) The only and the real Protection the farmer needs is absolute security for his capital, and absolute freedom for applying it fully and in the best way to his work.

If Great Britain is not yet ripe for State-aided Land Purchase, on the lines of the Irish Land Acts, so as to give the complete security and complete freedom of ownership, the least we can do is to remove the inherent evils of the tenant system by insuring complete security of tenure, by drawing a clear line between the money interests of the tenant and of the landlord in the current letting value of the holding, by creating complete equality in bargaining for a fair rent, whether rent is increased or decreased, and by enabling the tenant to carry out his business in the best way to make profits, by reasonable freedom to make necessary improvements, and by reasonable changes in cultivation and as to the sale of produce.

(C) To attain these objects, the following amendments of the Agricultural Holdings Acts are indispensable:—

(1) The tenant shall have a statutory right to carry out all improvements suitable to his holding, and necessary for its profitable working.

This principle has been sanctioned in the Market Gardeners' Compensation Acts, and should be extended to all holdings.

The power of the landlord to unreasonably withhold consent either compels the tenant to work to less advantage, or renders improvements, where made, liable to confiscation.

Freedom and security create the strongest motives to add to the real working value of the holding, to the immediate profit of the tenant, while increasing the assets of the landlord in the land.

(2) Continuous high farming should be specially compensated. This is the only way to fully reward the good farmer, and to discourage dishonest and depletive waste.

(3) The laying down of permanent pasture should be compensated without consent of the landlord. This improvement, properly executed, materially adds to the resources of both tenant and landlord. The present state of the law, which forces an improving tenant to get his compensation by breaking up the pasture which has given him profit and helped him to pay his rent, is the worst of economic follies for both parties.

(4) Compensation for all improvements suitable to the holding should be made retrospective in the sense intended by section four of the Market Gardeners' Act.

(5) Compensation for the whole value an improving tenant has added to the holding should be payable to him, whether he "sits or quits," on

a renewal of the tenancy. This may be done by a lump sum, or by an equitable proportionate reduction of the rent during the period of exhaustion of the improvements.

As Sir James Caird urged, the Agricultural Holdings Act of 1883 compensates the wrong man, and leaves the right man, the improving tenant, who wants to go on reaping the fruits of his outlay, at the mercy of the competing outsider, and of the landlord. This reform is essential to freedom of bargaining.

(6) Compensation for disturbance.

The power to capriciously evict, for political or religious grounds, or to evade the Ground Game Act, and the power to extort excessive rents, or enforce intolerable covenants, owing to the dread felt by an improving tenant of losing his invested capital and his successful business, should be reasonably checked by a fair pecuniary equivalent to the loss imposed on the tenant by capricious eviction.

(7) Damage by game.

Tenants must have a statutory and enforceable right to full compensation for damage caused by winged as well as ground game, as well as their existing common law right, which is of little practical value.

(8) Freedom of cultivation and of sale of produce.

The maintenance of the highest standard of fertility is a better check on bad farming than restrictive covenants. To tie a man down under modern conditions to the four-course system, or to prohibit the sale of straw and hay when worth more than an equivalent in fertilisers is mere economic insanity. What is wanted is a free hand to the tenant to work for a profit, and to the landlord to prevent the soil being impoverished.

(9) Judicial arbitrators. For the present costly and haphazard valuations, by which the intentions of the Agricultural Holdings Act have been largely defeated, there should be substituted either an official arbitrator to determine all questions in dispute, and to deal with rents so far as to exclude from any rent to be agreed on the whole value of the tenant's interest and compensations, or we must have, as the Welsh Land Commission recommend, a Land Court to determine fair rents.

(10) Farmers should carefully study for themselves the proceedings on the Government Agricultural Holdings Act of 1900. During those proceedings, all the above moderate and indispensable reforms were deliberately opposed and defeated by Mr. Chamberlain's Protectionist friends. The Act of 1900 made the position of the tenant farmer weaker than ever to obtain fair play, and real security for his outlay.

III.—THE LABOURER AND THE LAND.

(A) What have Protection and Free Trade meant for the labourer?

Free Trade has practically doubled his wages and halved the cost of living.

Under Protection, pauperism was acute and chronic. Farmers, impoverished by excessive rents, could pay but a starvation wage, and that, in the worst years, was eked out by the poor rate. Wages would have fallen still lower, but for the desperate men who fired ricks and barns, and ranged the country with banners inscribed—"Bread or Blood!"

In 1786 wheat was 4s. a bushel, in 1826 the Corn Laws had driven wheat up to 8s. a bushel. In both years the labourer got a weekly wage of 8s. The Corn Law meant a loss of a bushel of wheat per week, or, in money, a loss of £10 8s. on the year!

Mr. Wilson Fox* has shown that agricultural wages have risen between 1850 and 1902 as follows:—

		Average Total Earnings						
		s.	d.		s.	d.		s. d.
Eastern	Counties from	8	7½	to	13	1⅓	...	15 9
S. and S.W.	,, ,,	8	5½	,,	13	10¼	...	16 9
Midland	,, ,,	9	8½	,,	14	5	...	16 11
Northern	,, ,,	11	5	,,	18	2¾	...	19 1

The rise in the weekly wage all over has been 60.8 per cent.; in the total earnings, including harvest extras, etc., 51.3 per cent., while the fall in food prices during the 50 years up to 1901 is given by Mr. Wilson Fox as follows:—Flour, 25 to 30 per cent.; sugar, 60 to 70 per cent.; tea, 65 to 70 per cent.; cheese, 25 per cent.

The average value of articles of food (not including alcoholic liquors) consumed by a labourer with wife and four children in 1902, based on returns obtained for the Inquiry†, was: —

		s.	d.	
Eastern	Counties ...	12	4⅓	Representing an average percentage on earnings of 80 per cent.
S. and S.W.	,, ...	13	4¾	
Midland	,, ...	13	6½	
Northern	,, ...	14	10¼	

These figures show that the agricultural labourer, after sixty years of Free Trade, is able now to spend on food of all kinds a sum nearly double of what his total wages amounted to in the miserable days of barley bread, before Sir Robert Peel, when Protection was in full sway.

If we go back only twenty-four years, from 1901 to 1877, we find that the amount of food which now costs only 100s. then cost 140s.

The consumption of meat, bacon, butter, etc., has enormously increased, and though meat is, on the whole, cheaper in Great Britain,

* Agricultural wages in England and Wales during the last 50 years. Royal Statistical Society, 1903.

† Blue Book, p. 210.

the British labourer* spends 43s. 5d. on meat each year per head in a family of five, while the German spends 27s. 8d.†

And as for bread, the mainstay of the labourer's household, the stone of wheat flour costs, in London (1902), 1s. 5½d.; Berlin, 2s. 1d.; ‡ while wages in Germany ** are little more than half of what they are in England, and hours of work are longer.

The net result is that an hour's work in England now earns about three times as much bread as an hour's work in Germany!

(B) If food is taxed, as Tariff Reformers propose, what will the labourer have to pay?

All indirect taxation falls more heavily on the poor than on the rich. Ever since the Tories won office by the false promises of social reforms in 1895, they have been "widening the basis of taxation"—the cant phrase for saving the pockets of the rich, and making the poor do the paying.

The only fair way to measure the real burden of taxes is to see what proportion of his income each individual is paying.

Mr. Chamberlain himself demonstrated, in 1885, that, even in the happy days of Gladstone and light taxation and sane expenditure, the working man was paying, in indirect duties on food and drink, twice as large a percentage on his 20s. a week as the capitalist was paying (in both direct and indirect taxes) on his £10,000 a year!

Who has paid for the South African War? The capitalist had to pay an additional 7d. income tax, but the wage-earner had to pay in the new war taxes on corn, tea, and sugar alone an amount equal to an income tax on his earnings of from 6½d. to 9d. in the £, and this in addition to the extra taxes put on beer, spirits, and tobacco.

The corn duty of 1902 alone meant to the worst paid labourer, earning, say, £36 a year, and spending a third of his income on bread stuffs, an income tax of 3½d. in the £, and, when the price of the loaf was raised by a ½d., it meant an income tax of 13d. in the £!

What would the poor labourer have to pay under Mr. Chamberlain's new scheme—2s. a quarter on corn, and 5 per cent. on meat and dairy products, with three-fourths off the tea and half off the sugar duties?

The average labourer's earnings of 18s. 6d. a week, and average food purchases as given in the Blue Book (page 210), show that Mr. Chamberlain's new balance-sheet of taxation for the labourers would impose on him duties, calculated *ad valorem* of the average food purchases amounting in all to an income tax of almost exactly 1s. in the £. Instead of paying less, the labourer would have to pay about 3½d. more than the war taxes took from him in 1902-3!

In addition to these food taxes, the labourer would have to pay at least 10 per cent. extra on every pair of boots, suit of clothes, or other article he buys for his family.

* Blue Book, p. 211, Table B. † Blue Book, App. VII., p. 251.
‡ Blue Book, p. 221.

** In Pomerania, from £22 10s. to £30 a year, including payments in kind. In Saxony, £31, including food. In East Friesland, £30, inclusive.

Where is he going to get the extra wages to meet these tremendous new burdens?

(c) Rural depopulation and its remedy. *

The drifting away of the labourers from agricultural districts is far worse than appears from the census, being concealed by increases in industrial villages and pleasure resorts scattered through the rural districts, and by the excess of births over deaths in most of the rural counties. It can only be judged by taking groups of purely agricultural parishes. These show a general fall of from 12 to 20 per cent., while many small villages have lost from one-third to a half of their inhabitants. And this loss has been almost wholly among those who were formerly, and would now, under favourable circumstances, be engaged in agriculture.

Rural depopulation is not nearly so much due to the higher wages and keener excitements of the towns, as to excessive rents which have forced farmers to cut down the labour bill by sweeping changes of cultivation; to the rise in the standard of living, and to the wider ambitions stirred by education among the children of labourers, which have made the miserable cottage accommodation in many districts and the hopeless future of the labourer's life intolerable.

Protection could only make matters worse. The farmer would have still less margin for employing labour, wages would buy less food and comforts, and the only profitable branches of small farming which are bound up with cheap corn and cheap feeding stuffs and fertilisers and raw materials of all kinds, would have their death blow.

But the census shows also that the "rural exodus" may be stayed, and how. In the administrative County of Holland (South Lincolnshire), between 1881 and 1891, the population decreased from 38,789 to 36,507, or 6 per cent., but, unlike other districts, where the following decade was the worst on record, the population of Holland only decreased 115, or 0.29 per cent. between 1891 and 1901. This is clearly due to the vigorous action taken to provide allotments and small holdings. 1,000 acres were obtained before 1894, and after the passing of the Local Government Act, 1894, the County Council bought 266 acres, and Lord Carrington has leased 500 acres for this purpose. "The aspect of the country has quite altered: formerly the labourer had in summer to work for such low wages as the farmer chose to give, and required parish aid to get through the winter; now labourer and employer meet on equal terms."

Where Then is the Real Remedy?

You must have better cottages, with accommodation compatible with self-respect, and health, and morality, and larger gardens or allotments about them.

* According to Census Returns, the population engaged in agriculture has decreased in the last fifty years as follows:—1851, 1,904,157; 1861, 1,803,049; 1871, 1,423,854; 1881, 1,199,827; 1891, 1,099,572; 1901, 988,340.

And you must make your improved cottages a commercial success by making it possible for those who live in them to earn more money. If good land, in holdings of varied sizes and types, is made easier to get in connection with the cottage; if there is a fair chance for the young and active man to work up, in his own way, and for his own benefit, a small stock of cattle, or to produce milk and poultry and eggs, or fruit, or flowers at a profit; if there is in village schools instruction of a more practical kind, which would interest the young in rural life, there will be a real revival of agricultural prosperity.

Small holdings, developed on business lines, mean a permanent supply of skilled labour for carrying on the work of the big farms effectively and economically, and they lead straight on to that thorough practical and scientific organisation of agricultural production, and of the distribution of agricultural products which will win and keep the control of the home market, and bring the highest profits to all classes interested in the land.

What is the secret of the triumph of Danish agriculture? It has been the rapid development of small holdings, the concentration of energy on profitable branches, the thorough combination of these small farmers in the co-operative working of the whole industry, and a national policy of State-aid to the scientific organisation both of production and of distribution.

We can do as well—we ought to do infinitely better in England—with her exceptionally fertile soil, with her vast urban populations, with her network of railways and canals.

All over England now, where there have been fair chances in suitable districts, there has been successful intensive farming by small holders—isolated and unorganised as they still are.

The celery growers of North, and the "early potato" men of South Lincolnshire, the fruit growers of Worcestershire and Cambridgeshire, the cheese makers of Leicestershire, the poultry fatteners of Heathfield and Aylesbury, the New Forest men with their pigs and ponies, and throughout the whole country everywhere the small dairy and stock farmers are even now a visible indication of the great future within reach.

And that the organisation which alone will bring this full tide of agricultural prosperity is possible is shown by the success of Sir Horace Plunkett's policy in Ireland, increasing largely as it has the sales of Irish produce to England, and the money returns to the farmers whom he has helped to obtain the full benefits of combined action.

The English Agricultural Organisation Society is already doing much good work in the same direction in many districts.

What is needed for a practical start in the revival of rural life?

I.—A workable Housing Bill, which shall enable Rural District Councils:—

(a) More easily to acquire land for building, and, if necessary, to use the compulsory powers granted to Parish Councils by the Allotments Clauses of the Act of 1894, except that the inquiry shall be conducted by the Local Government Board instead of by the County Council, and

that this shall be the only inquiry necessary, and except that the period for which the land may be compulsorily leased shall not be limited;

(b) To build cottages without the sanction of any other authority being required;

(c) To raise loans for these purposes, the period of repayment, if for the purpose of acquiring land, to be extended to one hundred years;

(d) To attach land to the cottages, the limit of which shall no longer be half an acre, but be extended to an acre or even more, so that the rent of the cottage would be covered by the produce of the land;

(e) To delegate to a Joint Committee of the Parish and Rural District Councils the building and management of the cottages;

(f) To require the Local Government Board, on the application of the Parish Council, to hold a local inquiry, and if satisfied that the working-classes of the village or parish are not properly housed, and that the local authorities have neglected their duty in that matter, that the Local Government Board shall make an order on the Rural District Council to build such number of cottages, with such accommodation as in the opinion of the Local Government Board, is desirable.

(g) To make it a condition of loans to landowners under the Improvements Acts that cottages shall be a first charge.

(h) To enable Savings' Banks deposits to be applied, as in Belgium, in loans for housing purposes.

(i) To cheapen loans to landowners and to Small Holdings and other associations to facilitate the provision of cottages.

II.—A new Small Holdings Bill to replace the sterile Act of 1892, which shall

(a) Empower local authorities compulsorily to acquire, or to hire land with right to purchase within a specified period, and to let at a minimum commercial rent, to suitable tenants for a specified term, which may be renewed;

(b) Enable approved tenants, before the close of the first or subsequent terms, to buy their holdings, and applying the machinery of the Irish Act of 1903 to these purchases, and also to purchases voluntarily agreed to between tenants and landowners;

(c) Provide loans, on minimum commercial terms, to tenants or purchasers of small holdings under a local authority, and also in the case of purchase by agreement either to the landowner or to the purchasing tenant, for buildings and equipment of holdings;

(d) Earmark Crown, Duchy of Lancaster, ecclesiastical and glebe land as to be utilised to the largest extent possible for small holdings, give to local authorities a right of pre-emption of bankrupt and other estates where publicly sold, and encourage the payment of successive duty and the redemption of land tax by land instead of money.

IV.—AGRICULTURAL ORGANISATION.

What Has Denmark Done?

The agricultural exports of Denmark are the greatest in quantity and in value per head of the population in the whole world;

they command prices on the English markets from 10 to 20 per cent. higher than the average of all other countries. Of all the butter, bacon, and eggs imported into the United Kingdom in 1903, Denmark has sent us in quantities 43.4, 29, and 19.4 per cent. respectively, but in values 46.8, 31.5, and 25 per cent. respectively. And, in the fifteen years from 1887 to 1902, Danish agricultural exports have risen from £5,000,000 to a little under £20,000,000. The corresponding figures for 1902 were for butter, bacon, and eggs, in quantities 42.9, 24.7, and 18 per cent., and in values 45.3, 27.9, and 21.7 per cent. respectively. The increase in butter alone for 1903, as compared with 1902, is £624,000.

During 1903 Denmark exported 1,580,000 cwt. of butter, of a value of £8,400,000, of which 95 per cent. was shipped to Great Britain. This is an increase compared with 1901 of 210,000 cwts. in quantity, and of £1,100,000 in value.

And it should be noted how the Co-operative Societies have contributed to these extraordinary results. The total production of these societies of butter, bacon, and eggs for exportation was, in 1901, £9,800,000; in 1902, £10,570,000; in 1903, £11,414,000. And, as the total exports were in 1903 just under £20,000,000, it will be seen that the exports of the Co-operative Societies amounted to 57 per cent. of the whole.

In a small kingdom, with two-and-a-half millions of people, the number of small holdings has risen by about 400 each year, while live stock has risen from 25 to 100 per cent. between 1879 and 1899. The deposits in the savings banks are now nearly ten times what they were forty years ago, and stand at £16 a head—the highest anywhere.

The world has seen nothing like this growth of prosperity. And it is wholly due to Land Reform, which has promoted small holdings; to Free Trade, which has made stock and dairy farming profitable, and to combined and scientific action with a view to attain the highest standard of uniform quality of produce, to cheapen production, and to systematise every detail of the collection, grading, packing, and expeditious forwarding and sale of every class of produce. To develop and to regulate every branch and every detail of agricultural work the Danish farmers become members of societies, which not only save them time and money, but provide them with the purest stock, enable them to eliminate disease, get them the best fertilisers and feeding-stuffs, and implements, at the lowest rates; instruct them in every scientific improvement of methods, and generally tune things up all round, and, in addition, enforce regularity and system on all.

Much of this is self-help and pure co-operation. But everywhere the State aids with grants, supplies experts to give technical advice, supports admirable high and special agricultural schools, increases facilities for forwarding and exporting, encourages every essential point of agricultural work, and keeps up to the mark by frequent exhibitions, prizes, lectures, etc.

Naturally enough, the first agricultural societies in Denmark were

formed on English models. "We learned all our agriculture from England!" But the policy of all these societies has been more and more intensely practical, to remove every obstacle to success in the way best calculated to endow each individual farmer with the combined energies and resources of all those engaged on the same branch, and to command a wide and continuous access to markets by guaranteeing an unlimited and constant supply of articles up to a definite standard.

In the last generation, the Government left much to private enterprise. But in recent years there has been increased State supervision and help.* There are experts provided for everything connected with bacon factories, and for every branch of dairy work. Live stock and poultry societies are specially aided. Labourers' associations receive help, lectures are given, and assistance to procure employment. A fund of £280,000 grants loans to farmers at 4½ per cent. through societies to which the Government makes advances at 3½ per cent. The agricultural high schools get from the State nearly £9,000 a year. Besides these there are grants to agricultural colleges and the School of Forestry. The total grants administered by the Minister of Agriculture are now about £160,000 a year, and nearly the whole of these are distributed through active and self-governing co-operative societies, so as to act, not as a discouragement, but a stimulus, to the principle of self-help.

Other lessons may be applied to English needs from the Co-operative Credit Banks of Germany and Italy, and from the syndicates and co-operative societies for the purchase of implements and fertilisers and other agricultural requirements, and for the sale of agricultural produce in France and other Continental countries.

Everywhere vigorous organisation has been a natural sequence of the break-up of the old feudal land monopolies, and in proportion to the standard of business-like organisation has been the measure of success.

No amount of State subsidising will do all we want. The root reform in England, as everywhere else, must be in the reform of land tenure and the encouragement and opportunity to the largest number of capable men to throw their energies and resources fully and freely into the working of the soil.

But the experience of Denmark and other countries makes it plain that land tenure reform and organisation are natural allies in the work of economic salvation.

How may we push organisation in England? We need a thorough system of technical, practical, and scientific instruction in Agricultural High Schools, winter classes, and special facilities for experimental stations, and these results can only be obtained when we have first provided for the training of an adequate staff of agricultural teachers.

We need to convince the working agriculturists of the necessity of having the best stock, the best seeds, the best fertilisers, the best methods, the wisest economies, in order to earn the best results. Our farmers should have access to expert advice on all these matters.

* Lord Ikerrin's Report to the Irish Agricultural Department.

Our agricultural societies must be less of debating societies and more of practical combinations to help their members, not only in scientific production, and in the purchase of the requisites of their business, but by the systematic, and therefore economical, collecting, grading, and forwarding of products of uniform and marketable quality, tastefully packed and arranged, just where they will command sale at the best prices.

All this is business, and it will be just as much worth while in England, as in Denmark, to wisely promote the thorough development and organisation of agriculture on these lines, using State aid where necessary.

This means, too, that our Board of Agriculture should do something more than stamp out disease, circulate leaflets, and supervise comparatively trivial details of administration.

It must become the mainspring of the future of agriculture, the meeting point of all the forces which can be concentrated in making the very best use of the best soil by the free work of the largest number of the best workers in the world.

But for this work a wider and fuller contact will be needed with the local organisation of agriculture.

It is matter for immediate consideration whether we should not in England adopt, on English lines, some of the machinery set going in Ireland by Sir Horace Plunkett's Department; whether we could have agricultural councils for each of the great typical agricultural areas into which Great Britain is divided in the Agricultural Returns, and have the members of these councils partly nominated by the County Councils and partly by the agricultural societies, developed, as is suggested here, into great and truly representative and working organisations; or whether other and more effective and more democratic machinery for the local representation of agricultural interests. This is the direction in which the hope of thorough organisation must be directed.

V.—OTHER MEASURES.

Among administrative and legislative reforms which will materially help agriculture there is no opportunity to deal here with questions like local taxation in its relationship to agriculture, a subject which calls for separate treatment, but the following urgent problems should be pressed on the attention of Parliament:—

I.—The Elimination of Tuberculosis.

It has been estimated that the money gain to agriculturists from getting rid of this disease would not fall short of a million sterling a year, and may greatly exceed that sum. That it can be slowly but surely reduced by the Danish policy of isolating animals shown to be diseased by the tuberculin test is established. It is high time that the recommendations of Sir Herbert Maxwell's Commission should be adopted, and facilities given by the State for the process of elimination.

II.—Railway Rates.

The Railway and Canal Traffic Acts should be amended so as to enable traders to test the reasonableness of every rate or condition, to have access to and to test all figures and evidence bearing on these questions, to create cheap local machinery for deciding all cases, and to remove the grave uncertainty still attaching to the provisions to prevent undue preference, as laid down in the Acts of Parliament and as interpreted in the decisions of the Courts.

If no scheme for the nationalisation of railways is practicable, a step might be taken by the Government in the direction of releasing canals from railway control, and using them as national roads. The development of motor energy has made it possible for water traffic to move more rapidly, and such competition would help. The ideal to be aimed at is that the railways shall serve the public in the same way as the Post Office, not necessarily for profit, but to give the utmost facilities for trade and passenger movements. It will probably not be possible at once to charge a uniform rate over the whole country, as is done by the Post Office, but within large areas this would be possible. Feeding systems, either by light railways or motor services, should be attached to main lines, and, so far as possible, a public carriage service should be brought within easy access of every parish and village.

III.—Fertilisers and Feeding Stuffs.

The Act of 1893 should be simplified and made more effective, and the requirement to state the percentages of ingredients should be extended to feeding stuffs, cakes, etc., in the same way as now applies to fertilisers.

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